

STATE OF SOUTH CAROLINA )

(Caption of Case)

Progress Energy Carolina, Inc.'s Application for the  
Establishment of Procedures to Encourage Investment  
in Energy Efficient Technologies;

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2008 - 251 - E

(Please type or print)

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Testimony of Steve W. Chriss on behalf of Wal-Mart Stores East, LP

| INDUSTRY (Check one)                                 | NATURE OF ACTION (Check all that apply)            |  |  |
|--|--|--|--|
| <input type="checkbox"/> Electric                    | <input type="checkbox"/> Affidavit                 | <input type="checkbox"/> Letter                            | <input type="checkbox"/> Request                   |
| <input type="checkbox"/> Electric/Gas                | <input type="checkbox"/> Agreement                 | <input type="checkbox"/> Memorandum                        | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer                    | <input type="checkbox"/> Motion                            | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Electric/Water              | <input type="checkbox"/> Appellate Review          | <input type="checkbox"/> Objection                         | <input type="checkbox"/> Resale Agreement          |
| <input type="checkbox"/> Electric/Water/Telecom.     | <input type="checkbox"/> Application               | <input type="checkbox"/> Petition                          | <input type="checkbox"/> Resale Amendment          |
| <input type="checkbox"/> Electric/Water/Sewer        | <input type="checkbox"/> Brief                     | <input type="checkbox"/> Petition for Reconsideration      | <input type="checkbox"/> Reservation Letter        |
| <input type="checkbox"/> Gas                         | <input type="checkbox"/> Certificate               | <input type="checkbox"/> Petition for Rulemaking           | <input type="checkbox"/> Response                  |
| <input type="checkbox"/> Railroad                    | <input type="checkbox"/> Comments                  | <input type="checkbox"/> Petition for Rule to Show Cause   | <input type="checkbox"/> Response to Discovery     |
| <input type="checkbox"/> Sewer                       | <input type="checkbox"/> Complaint                 | <input type="checkbox"/> Petition to Intervene             | <input type="checkbox"/> Return to Petition        |
| <input type="checkbox"/> Telecommunications          | <input type="checkbox"/> Consent Order             | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation               |
| <input type="checkbox"/> Transportation              | <input type="checkbox"/> Discovery                 | <input checked="" type="checkbox"/> Prefiled Testimony     | <input type="checkbox"/> Subpoena                  |
| <input type="checkbox"/> Water                       | <input type="checkbox"/> Exhibit                   | <input type="checkbox"/> Promotion                         | <input type="checkbox"/> Tariff                    |
| <input type="checkbox"/> Water/Sewer                 | <input type="checkbox"/> Expedited Consideration   | <input type="checkbox"/> Proposed Order                    | <input type="checkbox"/> Other: _____              |
| <input type="checkbox"/> Administrative Matter       | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest                           |  |
| <input checked="" type="checkbox"/> Other: Energy    | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit             |  |
|  | <input type="checkbox"/> Late-Filed Exhibit        | <input type="checkbox"/> Report                            |  |

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January 22, 2009

VIA ELECTRONIC FILING

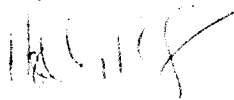
The Honorable Charles Terreni  
Chief Clerk/Administrative  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Saluda Building  
Columbia, SC 29211

**RE: Progress Energy Carolinas, Inc.'s Application for the Establishment of Procedures  
to Encourage Investment in Energy Efficient Technologies;  
SCPSC Docket No. 2008-251-E**

Dear Mr. Terreni:

On behalf of Wal-Mart Stores East, LP, enclosed for filing in the above-referenced docket is the testimony and exhibit of Steve W. Chriss.

Very truly yours,



Holly Rachel Smith  
*Counsel for Wal-Mart Stores East, LP*

Enclosure

### CERTIFICATE OF SERVICE

I hereby certify that a true copy of the Testimony of Steve W. Chriss has been served on all parties of record either by hand delivery, e-mail, or by depositing said copy in the United States mail, postage prepaid, addressed as follows:

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Len.anthony@pgnmail.com

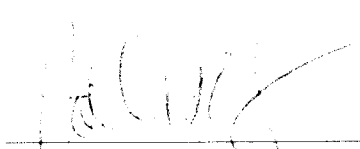
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Holly Rachel Smith

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**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2008-251-E**

In the Matter of

|   |   |                        |
|---|---|------------------------|
| Progress Energy Carolinas, Inc.'s Application | ) |                        |
| For the Establishment of Procedures to        | ) | <b>TESTIMONY OF</b>    |
| Encourage Investment in Energy Efficient      | ) | <b>STEVE W. CHRISS</b> |
| Technologies; Energy Conservation Programs;   | ) | <b>ON BEHALF OF</b>    |
| And Incentives and Cost Recovery for Such     | ) | <b>WAL-MART</b>        |
| Programs                                      | ) | <b>STORES EAST, LP</b> |
|   | ) |                        |

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND  
OCCUPATION.**

A. My name is Steve W. Chriss. My business address is 2001 SE 10th St.,  
Bentonville, AR 72716-0550. I am Manager, State Rate Proceedings, for  
Wal-Mart Stores, Inc.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

A. I am testifying on behalf of Wal-Mart Stores East, LP. ("Wal-Mart")

**Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

A. In 2001, I completed a Masters of Science in Agricultural Economics at  
Louisiana State University. From 2001 to 2003, I was an Analyst and later  
a Senior Analyst at the Houston office of Econ One Research, Inc., a Los  
Angeles-based consulting firm. My duties included research and analysis  
on domestic and international energy and regulatory issues. From 2003

1 to 2007, I was an Economist and later a Senior Utility Analyst at the Public  
2 Utility Commission of Oregon in Salem, Oregon. My duties included  
3 appearing as a witness for PUC Staff in electric, natural gas, and  
4 telecommunications dockets. I joined the energy department at Wal-Mart  
5 in July 2007. My Witness Qualifications Statement is found on Exhibit  
6 SWC-1.

7 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**  
8 **SOUTH CAROLINA PUBLIC SERVICE COMMISSION?**

9 A. No, this is my first time submitting testimony before the South Carolina  
10 Public Service Commission.

11 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER**  
12 **STATE UTILITY REGULATORY COMMISSIONS?**

13 A. Yes. I have submitted testimony before the state utility regulatory  
14 commissions of Colorado, Louisiana, Nevada, Indiana, Oregon, and Utah  
15 on dockets regarding cost of service and rate spread, qualifying facility  
16 rates, telecommunications deregulation, resource certification, energy  
17 efficiency and demand side management (collectively "DSM"), and the  
18 collection of cash earnings on construction work in progress.

19 **Q. HAVE YOU PREPARED EXHIBITS?**

20 A. Yes, I have prepared Exhibit SWC-1, consisting of three pages.

21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

22 A. From Wal-Mart's perspective as a large customer of Progress Energy  
23 ("PEC") and a leader in the deployment of DSM technology, I will provide

1 testimony in response to two PEC filings: the January 8, 2009, Testimony  
2 of B. Mitchell Williams and the January 14, 2009, filing of the Procedure  
3 and Mechanism for Recovery of Costs and Incentives for Demand-Side  
4 Management and Energy Efficiency Programs ("Procedure and  
5 Mechanism.")

6 **Q. WHAT MAKES WAL-MART A LEADER IN DSM?**

7 A. Wal-Mart has made an operational and financial commitment to  
8 environmental stewardship in many aspects of our business. Given the  
9 large number of our facilities, 82 of which are in South Carolina, and the  
10 advanced technology we employ, currently one of the most substantial  
11 impacts we can make is on the level and efficiency of our energy use.  
12 Our corporate goal is to develop a new store prototype that is 25 to 30  
13 percent more efficient by the end of 2009 than the stores we were building  
14 in 2005, and to reduce emissions of greenhouse gases at our existing  
15 stores by 20 percent by 2012.

16 **Q. CAN YOU PROVIDE SPECIFIC EXAMPLES OF WAL-MART'S**  
17 **DEPLOYMENT OF ENERGY EFFICIENCY AND DSM TECHNOLOGY?**

18 A. We have deployed a number of technologies, including:  
19 1) Our own advanced metering system, which we have installed in over  
20 1,100 United States and 375 United Kingdom facilities to date;  
21 2) Daylight harvesting systems, in which lighting intensity automatically  
22 adjusts given the amount of incoming daylight from skylights;

- 1           3) Highly efficient HVAC that exceeds the most stringent energy code in the
- 2           United States;
- 3           4) White membrane roofs that lower cooling load;
- 4           5) Heat reclamation from our refrigeration equipment to meet approximately
- 5           seventy percent of the hot water needs of our Supercenters;
- 6           6) T8 and LED lighting; and
- 7           7) Active dehumidification that enables stores to operate at higher
- 8           temperatures and use less electricity.

9           **Q. CAN YOU PROVIDE ANY ADDITIONAL EXAMPLES OF WAL-MART'S**  
10           **DEPLOYMENT OF DSM TECHNOLOGY?**

11          A. Additionally, all of Wal-Mart's United States stores are centrally monitored  
12           through energy management systems installed in each facility. Through  
13           this system, Wal-Mart centrally monitors and controls store temperature,  
14           lighting, and refrigeration units. This system, in combination with our  
15           advanced metering system, also allows Wal-Mart to efficiently implement  
16           demand response commands. As a result, Wal-Mart currently  
17           participates in at least seventeen utility and ISO/RTO demand response  
18           programs nationwide.

19          **Q. DOES WAL-MART SHARE ITS ENERGY EFFICIENCY EXPERTISE**  
20           **WITH OTHERS?**

21          A. Yes. Wal-Mart will share the results of all of the systems it is testing in its  
22           two experimental stores with other retailers and interested parties through  
23           Oak Ridge National Laboratories and National Renewable Energy

1 Laboratory after the initial three-year monitoring period. Wal-Mart also  
2 offers competitive energy efficiency products and services to our suppliers  
3 through Wal-Mart's Supplier Energy Efficiency Program. Wal-Mart also  
4 partners with the National Governors Association in the "Greening State  
5 Capitols" program, where Wal-Mart's energy experts have or will perform  
6 energy audits for up to 20 state capitol complexes during 2008 and 2009,  
7 including three facilities in South Carolina.

8 In total, Wal-Mart is an example of how one large commercial  
9 energy customer is already making substantial contributions towards the  
10 goal of increased efficiency in the use of energy.

11 **Q. DO YOU AGREE WITH PEC WITNESS B. MITCHELL WILLIAMS THAT**  
12 **LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS OFTEN**  
13 **INVEST IN DSM PROGRAMS ON THEIR OWN BECAUSE THEY FIND**  
14 **IT COST EFFECTIVE TO DO SO? SEE JANUARY 8, 2009,**  
15 **TESTIMONY OF B. MITCHELL WILLIAMS, PAGE 8, LINES 9**  
16 **THROUGH 11.**

17 **A.** Yes. Large commercial and industrial customers face competition on  
18 local, regional, and global scales. Managing energy costs is an important  
19 part of staying competitive. DSM measures, such as those listed earlier in  
20 my testimony, are a cost-effective means of reducing energy demand,  
21 consumption, and most importantly, cost.

1       **Q.    WHAT IS THE PURPOSE OF PROVISION (f) OF THE PROCEDURE**  
2       **AND MECHANISM?  SEE PAGE 8 OF THE PROCEDURE AND**  
3       **MECHANISM.**

4       A.   Provision (f) allows industrial and large commercial customers that have  
5       proactively implemented or, in accordance with stated, quantifiable goals,  
6       will implement alternative DSM programs to elect not to participate in  
7       PEC's demand-side management and energy efficiency programs.

8       **Q.    WHAT ARE THE BENEFITS OF THE IMPLEMENTATION OF THE OPT**  
9       **OUT PROVISION IN PROVISION (f) OF THE PROCEDURE AND**  
10       **MECHANISM?**

11       A.   There are several benefits to PEC's customers of implementing the opt  
12       out provision in Provision (f).  First, when large customers are given the  
13       option to opt out of the utility programs, those opting out will have more  
14       capital available to proactively invest in their own energy efficiency and  
15       DSM programs.

16               Additionally, individual customers, who best understand their  
17       unique business operations, will be able to create programs tailored to  
18       maximize the impact of the DSM measures installed in their facilities.  
19       Additionally, due to the size and scope of the measures they can  
20       implement, those customers will benefit from the competitive marketplace  
21       for energy efficiency goods and services, as energy service companies  
22       compete to provide the most innovative and cost-effective products to  
23       those customers.

1                   Finally, the individual customer assumes all of the risk of the  
2                   investment (such as the risk that the installed measure will in fact  
3                   conserve and reduce energy use), as opposed to having that risk passed  
4                   onto other ratepayers. Thus, the customer will have every incentive to  
5                   ensure that the implemented measures are cost-effective and as a result,  
6                   both the individual large customer as well as the utility's other customers  
7                   benefit.

8                   **Q.   HOW DO THE UTILITY'S OTHER CUSTOMERS BENEFIT?**

9                   A.   A commercial customer that implements DSM measures on its own yields  
10                  network benefits for all of the utility's other customers. These network  
11                  benefits include reduced overall energy costs that result from the reduced  
12                  load and demand on the system. An additional network benefit is the  
13                  increased reliability that results from the commercial customers reduced  
14                  energy demand. The utility's other customers enjoy all of these network  
15                  benefits without having to fund such measures through their rates or  
16                  additional recovery riders. Essentially, those large customers who have  
17                  undertaken their own conservation and energy efficiency programs  
18                  provide these benefits to all other customers at no cost to ratepayers.

19                  **Q.   WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?**

20                  A.   My recommendation to the Commission is to approve Provision (f) of the  
21                  Procedure and Mechanism.

22                  **Q.   DOES THIS CONCLUDE YOUR TESTIMONY?**

23                  A.   Yes.

## Steve W. Chriss

**Manager, State Rate Proceedings**  
**Wal-Mart Stores, Inc.**  
**Business Address: 2001 SE 10<sup>th</sup> Street, Bentonville, AR, 72716-0550**  
**Business Phone: (479) 204-1594**

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### EXPERIENCE

July 2007 – Present  
**Wal-Mart Stores, Inc.**, Bentonville, AR  
**Manager, State Rate Proceedings**

June 2003 – July 2007  
**Public Utility Commission of Oregon**, Salem, OR  
**Senior Utility Analyst** (February 2006 – July 2007)  
**Economist** (June 2003 – February 2006)

January 2003 - May 2003  
**North Harris College**, Houston, TX  
**Adjunct Instructor, Microeconomics**

June 2001 - March 2003  
**Econ One Research, Inc.**, Houston, TX  
**Senior Analyst** (October 2002 – March 2003)  
**Analyst** (June 2001 – October 2002)

### EDUCATION

|           |                                   |   |
|-----------|-----------------------------------|---|
| 2001      | <b>Louisiana State University</b> | M.S., Agricultural Economics                                  |
| 1997-1998 | <b>University of Florida</b>      | Graduate Coursework, Agricultural Education and Communication |
| 1997      | <b>Texas A&amp;M University</b>   | B.S., Agricultural Development                                |
|           |                                   | B.S., Horticulture  |

### TESTIMONY

2008  
Colorado Public Utilities Commission Docket No. 08A-366EG: In the Matter of the Application of Public Service Company of Colorado for approval of its electric and natural gas demand-side management (DSM) plan for calendar years 2009 and 2010 and to change its electric and gas DSM cost adjustment rates effective January 1, 2009, and for related waivers and authorizations.

Public Service Commission of Utah Docket No. 07-035-93: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million Per Year, and for Approval of a New Large Load Surcharge.

Indiana Utility Regulatory Commission Cause No. 43374: Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission Approve an Alternative Regulatory Plan for the Offering of Energy Efficiency, Conservation, Demand Response, and Demand-Side Management.

Public Utilities Commission of Nevada Docket No. 07-12001: In the Matter of the Application of Sierra Pacific Power Company for authority to increase its general rates charged to all classes of electric customers to reflect an increase in annual revenue requirement and for relief properly related thereto.

Louisiana Public Service Commission Docket No. U-30192 *Phase II*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Colorado Public Utilities Commission Docket No. 07A-420E: In the Matter of the Application of Public Service Company of Colorado For Authority to Implement and Enhanced Demand Side Management Cost Adjustment Mechanism to Include Current Cost Recovery and Incentives.

**2007**

Louisiana Public Service Commission Docket No. U-30192: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Public Utility Commission of Oregon Docket No. UG 173: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Staff Request to Open an Investigation into the Earnings of Cascade Natural Gas.

**2006**

Public Utility Commission of Oregon Docket No. UE 180/UE 181/UE 184: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for a General Rate Revision.

Public Utility Commission of Oregon Docket No. UE 179: In the Matter of PACIFICORP, dba PACIFIC POWER AND LIGHT COMPANY Request for a general rate increase in the company's Oregon annual revenues.

Public Utility Commission of Oregon Docket No. UM 1129 *Phase II*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

**2005**

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I Compliance*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

Public Utility Commission of Oregon Docket No. UX 29: In the Matter of QWEST CORPORATION Petition to Exempt from Regulation Qwest's Switched Business Services.

**2004**

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

**AFFILIATIONS**

International Association for Energy Economics  
• Vice-President, Houston Chapter, 2003-2004  
• Secretary, Houston Chapter, 2002-2003

**ENERGY INDUSTRY PUBLICATIONS AND PRESENTATIONS**

Chriss, S. (2006). "Regulatory Incentives and Natural Gas Purchasing – Lessons from the Oregon Natural Gas Procurement Study." Presented at the 19<sup>th</sup> Annual Western Conference,

Wal-Mart Stores East, LP  
Exhibit SWC-1  
South Carolina Docket 2008-251-E

Center for Research in Regulated Industries Advanced Workshop in Regulation and Competition, Monterey, California, June 29, 2006.

Chriss, S. (2005). "Public Utility Commission of Oregon Natural Gas Procurement Study." Public Utility Commission of Oregon, Salem, OR. Report published in June, 2005. Presented to the Public Utility Commission of Oregon at a special public meeting on August 1, 2005.

Chriss, S. and M. Radler (2003). "Report from Houston: Conference on Energy Deregulation and Restructuring." USAEE Dialogue, Vol. 11, No. 1, March, 2003.

Chriss, S., M. Dwyer, and B. Pulliam (2002). "Impacts of Lifting the Ban on ANS Exports on West Coast Crude Oil Prices: A Reconsideration of the Evidence." Presented at the 22nd USAEE/IAEE North American Conference, Vancouver, BC, Canada, October 6-8, 2002.

Contributed to chapter on power marketing: "Power System Operations and Electricity Markets," Fred I. Denny and David E. Dismukes, authors. Published by CRC Press, June 2002.

Contributed to "Moving to the Front Lines: The Economic Impact of the Independent Power Plant Development in Louisiana," David E. Dismukes, author. Published by the Louisiana State University Center for Energy Studies, October 2001.

Dismukes, D.E., D.V. Mesyanzhinov, E.A. Downer, S. Chriss, and J.M. Burke (2001). "Alaska Natural Gas In-State Demand Study." Anchorage: Alaska Department of Natural Resources.